

Agenda
Meeting of
Committee on Foreign Intelligence
11 March 1976
1500, 2430 E Street, N. W.

*** OSD REVIEW COMPLETED ***

1. Approval of minutes, 25 February meeting.
2. DCI report on meetings with Director, OMB and with Congressional Budget Committee members.
3. Proposed definition of NFIP; process of CFI budgetary and resource controls; reprogramming guidelines.
(IC Staff)
4. Tentative plans for IC Staff organization and relocation.
(IC Staff)
5. Proposed NRP charter. (Deputy Secretary of Defense)
6. Proposed revisions of NSCID's.
(IC Staff)
7. Bush-Ellsworth correspondence re intelligence on Soviet military expenditures.

Committee on Foreign Intelligence

11 March 1976

1500, 2430 E Street, N. W.

Mr. Knoche

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NOTE FOR DCI

In approving the minutes of the 25 February meeting, suggest you point out -- in connection with the draft CFIM on USIB (paras 12-14) -- that an issuance of this nature is not really required.

At the USIB meeting on 19 February, you directed that the current USIB and its committee structure be kept intact until changes are developed. This is reflected in official USIB minutes; USIB continues to meet; doubt does not exist.

Changes to USIB and its responsibilities are under consideration now and will be decided within the next few weeks.

CFI-M-2
25 February 1976

COMMITTEE ON FOREIGN INTELLIGENCE

MEMORANDUM FOR THE COMMITTEE ON FOREIGN INTELLIGENCE

SUBJECT: Draft Minutes of the 25 February 1976
Committee on Foreign Intelligence
Meeting

1. The Committee (CFI) met at 1500 hours on 25 February 1976 at East Building. Director Bush was in the Chair; Deputy Secretary of Defense Ellsworth and Deputy Assistant to the President for National Security Affairs Hyland, the other members of the CFI attended. Also in attendance were Thomas Latimer of OSD, E. H. Knoche of the DCI's Intelligence Community Staff (ICS) and Richard Lehman, an Assistant to the Director.

2. The minutes of the 18 February 1976 meeting were approved.

25X1A 3. Mr. [] of the IC Staff gave a status report on current ICS-DoD efforts to develop a paper for CFI consideration next week defining the National Foreign Intelligence Program (NFIP), the process and cycles to be followed with regard to CFI attention to NFIP budgets and programs, and reprogramming guidelines to be adopted by the CFI.

4. Mr. Ellsworth noted that many differing points of view would be encountered in obtaining working level reactions to this definition problem. Distinctions between national and tactical intelligence resources can hardly be expected to be agreed by all but he would be supportive of the CFI's efforts to define the NFIP as constructively as possible. The Chairman advised Mr. [] to prepare the paper, complete with pros, cons, agreements and disagreements, in recognition of general intent to give the CFI resource control over the intelligence budget, less tactical intelligence.

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5. The Chairman noted his favorable impression of NRP arrangements and facilities and said he wants to insure that CFI machinery and processes will not bog down program managers and rob them of flexibility and effectiveness.

6. Mr. Bush noted there have been some requests by the Congressional Budget Office (CBO) and Committees for access to intelligence budgetary data. He pointed to jurisdictional Congressional problems in this regard and said he thought it best to hold off until the House and Senate have resolved current approaches to intelligence oversight and until Appropriations Chairmen McClellan and Mahon have conferred with Budget Committee counterparts. It was agreed that the Director would talk to Senator McClellan and Representative Mahon about this.

7. Mr. Knoche noted that there have been CBO requests for substantive briefings on Soviet and Warsaw Pact military capabilities and expenditures. It was agreed that substantive briefings are a separate question and can be provided.

8. Brigadier General [] of the IC Staff gave a brief descrip-25X1A
tion of progress made to date, and remaining to be made, with regard to improving awareness by tactical commanders of the nature of national collection systems. It was pointed out that continuing attention to this problem could in time lead to significant resource issues of concern to the CFI. The IC Staff is willing to continue its work in this area but needs to know which parts of DoD or JCS to work with. Mr. Ellsworth said he would advise.

25X1A 9. General [] of the IC Staff gave a brief status report on the study of NSCID's, DCID's, et al and how to revise or rescind them in accordance with the Executive Order on intelligence. It was agreed:

-- That NSCID's would be revised with appropriate classification to insure conformity with the E. O.;

-- There will be no attempt now to devise and issue an omnibus NSCID;

-- Some NSCID's can be rescinded, where the subject is over-taken by the E. O.

10. In answer to the Chairman's question, General [] said he thought some revised NSCID's could be put before the CFI at its meeting next week.

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11. It was agreed that CFI directives and memoranda can be issued serially rather than by a numbering system keyed to subject categories.

12. Two draft CFI Memoranda (CFIM No. 1 and No. 2) were approved. The first concerns issuance of CFI directives and memoranda, the second concerns temporary continuation of USIB and its subordinate elements.

13. Discussion of this subject led to a question from Mr. Hyland as to how to arrange for directives on intelligence topics that may be the DCI's responsibility but that are beyond the scope of the CFI. For example, the CFIM on USIB could imply CFI powers in an area of DCI concern.

14. Mr. Ellsworth noted the phrasing in the E.O. charging the CFI with setting "policy priorities for collection and production," phrasing indicating the CFI will have some kind of role in matters of previous concern to USIB.

15. The discussion culminated in agreement that the Staff should develop for next week's CFI meeting a paper defining and delineating the distinctions between CFI, DCI and USIB-type concerns.

16. The proposed CFIM on IRAC's IR&D Council was not approved. Mr. Ellsworth felt it more advisable to subordinate this body to a USIB follow-on rather than to the CFI.

17. Mr. Knoche reported to the CFI on his conversations with two drafters of the E.O. in connection with the CFI responsibility to set "management policy" for national programs. The short of it is that it was intended to provide the CFI with guidance powers that could go beyond narrow resource matters. The CFI, over time, can define the extent to which it may want to issue guidance on such matters, for example, as intelligence personnel development or external contracting.

18. After a short executive session, the meeting adjourned at 1615 hours.

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Attachment
CFI-M-2

25 February 1976

Summary of Actions

- a. Chairman to contact Senator McClellan and Representative Mahon re Congressional Budget inquiries.
- b. Joint ICS-DoD paper on NFIP definition, cycles, and reprogramming to be ready for next CFI meeting.
- c. Mr. Ellsworth to advise the IC Staff on DoD/JCS points of contact for work on the "national-tactical problem."
- d. IC Staff to table a paper for the next CFI meeting defining distinctions among CFI, DCI and USIB-type concerns and responsibilities.

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TALKING PAPER FOR THE DCI

SUBJECT: Meeting with Jim Lynn, Director/OMB, 3 March 1976

- Six Items were discussed:

- a. Classified Budget Appendix. We agreed there was a need for such a document; that it should be classified Top Secret/Sensitive; and be distributed to present intelligence oversight committees. We further agreed to take under consideration any request for the document by budget committees.

- b. Allowance Letter. Jim said OMB wanted to issue an allowance letter to me as Chairman, CFI, to record the major aspects and Presidential decisions on the program being considered by Congress. We agreed that such a letter would be useful and should be issued quickly in order to get it to the CFI as early as possible.

- c. OMB Interface With CFI. Some of Jim's people presented a proposed process for CFI resource deliberations, including joint OMB-ICS program review. I said we were working on this and would consider OMB's views. Jim pointed out that a definition of the NFIP, a resources decision schedule, and a decision document were needed fairly soon. He had no objections to our earlier decision not to invite OMB to sit in at our deliberations.

- d. Reprogramming. Jim said he had been questioned extensively on reprogramming controls by the Congress last year. (His people pointed out that the conference report obligated the Community to formulate rules acceptable to the Congress.) We noted that the reprogramming rules problem was not confined to intelligence; and agreed that different sets of reprogramming criteria should be avoided.

- e. Apportionment. Jim pointed out that the apportionment process is where the President can exercise control. He was not satisfied with a single annual apportionment for an entire agency. Because other precursor portions of the resource cycle were being redefined--program/budget formulation and reprogramming rules--we agreed that an OMB-CFI ad hoc group should study the apportionment problem.

- f. Authorization. In talking about the Senate proposal to shift authorization of intelligence focus to a new oversight committee and require annual authorization of all intelligence funds, we agreed that caution should be exercised in any attempt to influence Senate Rules, and in discussing opportunities for disclosure, I said that this problem deserved greater emphasis.

- As the meeting was breaking up, I mentioned that I was considering moving Community functions away from Langley. Jim agreed that the idea had merit and offered any assistance he could provide.

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SENATE BUDGET COMMITTEE ACCESS
TO INTELLIGENCE COMMUNITY BUDGET DATA

1. The Budget Committee is one of the so-called "sunshine committees" and, as a committee, is generally not desirous of receiving sensitive information which requires handling in executive session. Notwithstanding this, Senators Cranston and Domenici were designated by the Committee to look into the question of access to intelligence information and report back to the Committee.

2. Senator Cranston has asked that Harold Gross, of the Budget Committee staff, and William Jackson, of his personal staff, be cleared for access to compartmented information (letter dated 19 February 1976). A letter is being prepared to Chairman Muskie stating that in view of developments within the Committee within the past week regarding Committee staff access to compartmented information, we would like to know the Committee's position as to which, if any, members of the Committee staff the Committee desires access to this information. (Senator Cranston has been advised that it is the policy of the Agency, which has been worked out over the years with the Chairmen of the various committees involved, that the personal staffs of members should not be given access to such information.)

3. Senator Cranston has requested the total budget figures for the intelligence community and the total figures for CIA, DIA, and NSA. He has also said that he would probably want information in "major functional categories," although he is not quite sure just what that covers. Senator Cranston has acknowledged that his ultimate objective is to publicly release the total budget figures.

4. Senator Domenici has reservations about this information being provided to the Committee, but believes Senator Cranston has the votes in the Committee to backup his request and to support his position to make the budget figures public.

5. In connection with CIA's intelligence briefing of Senator Hollings' Defense Task Force, of the Senate Budget Committee, on the subject of Soviet military programs and other world developments, Senator Hollings excluded all staff personnel from the compartmented briefing.

6. Senator McClellan believes that if this information is provided to the Budget Committee, it might as well be made public. He opposes providing it to the full Committee and suggested as an alternative that it be given to the Chairman and Ranking Minority Member (Senator Bellmon). He agrees with the Director's position that it would seem premature at this point to further proliferate sensitive intelligence information within the Congress until the Congress resolves the question of Congressional oversight of the intelligence community.

7. Senator Milton Young feels even more strongly on this subject. However, as an alternative or modification of Senator McClellan's suggestion, he has suggested that the Chairman and Ranking Minority Member of the Budget Committee be invited to sit in on the intelligence briefings of the Appropriations Intelligence Operations Subcommittee.

8. The Director proposes to consult with Senators Stennis and Thurmond, Chairman and Ranking Minority Member of the Armed Services Committee, to determine their views on this subject. If they agree with his position, we will advise Senator Muskie of his consultations with the oversight committees and the collective view of the Director and the leaders of those committees.

9. It should be noted that S. Res 400 (which would establish a standing Senate committee on intelligence activities) reserves to that committee exclusive jurisdiction over the matters set forth in the resolution. However, the resolution also provides that the committee on intelligence activities may disclose any information "relating to the lawful intelligence activities of any department or agency of the United States" to any other committee or member of the Senate. In addition, the resolution has no effect on Section 662

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of the Foreign Assistance Act of 1961, as amended, which requires reports to the appropriate committees of Congress, including Foreign Relations and International Relations Committees (it is our understanding that Senator Percy proposes to initiate legislation to repeal that section of the Foreign Assistance Act).

10. The resolution establishing a Senate committee on intelligence activities is pending before the Rules Committee and, under a previous Senate resolution, should be reported by the Committee by 20 March. There are firm indications from Senators Cannon and Hatfield (Chairman and Ranking Minority Member of the Committee) that they will seek an extension of that deadline and call for hearings on S. Res. 400.

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MEMORANDUM FOR:

See separate notebook

Date

FORM 101 USE PREVIOUS
5-75 EDITIONS

9 March 1976

MEMORANDUM FOR: Acting D/DCI/IC

HL (This memo not disseminated to CFI members)

SUBJECT : Meeting with Gen. Wilson and Mr. Latimer to Present Intelligence Community Staff Organization Briefing, 9 March 1976

25X1A
1. On 9 March 1976, at the request of Gen. Wilson, Gen. [] and I provided a briefing to Gen. Wilson and Mr. Latimer (OASD-I) on the Intelligence Community Staff re-organization. The briefing addressed the attached charts. During the briefing Mr. Latimer and Gen. Wilson made several comments relating to their views of requirements for an Intelligence Community Staff organization, as well as the relationship between the DCI, the Intelligence Community Staff, the CFI, and any future replacement for the USIB.

2. Mr. Latimer's comments centered around his view of the relationship between the DCI and the CFI and his interpretation of the meaning of the Executive Order with regard to tactical versus national intelligence. Mr. Latimer said that it is his view and Mr. Ellsworth's view that the DCI should not be giving policy and management guidance to the Community separate from his position as Chairman of the CFI; that the DCI has only two roles--head of CIA and Chairman of the CFI. In this regard, Mr. Latimer said, he and Mr. Ellsworth view the USIB replacement, as well as the Intelligence Community Staff, as reporting to the CFI. Mr. Latimer also felt that a replacement for the USIB should also consider very strongly the need for user representation in the development of intelligence requirements and the review of intelligence products. He strongly endorsed the need for something like a user board.

Call Latimer

3. Gen. Wilson expressed concern over the lack of focus on intelligence requirements. He felt that there exists a need for an organization, perhaps a fourth office in the Intelligence Community Staff, whose sole responsibility is the development, validation, and quality-control of requirements; either across all sources or from a target-oriented standpoint. He also indicated supporting the need for a separate requirements evaluation activity which would objectively review the performance of this requirements development mechanism. Gen. Wilson agreed to discuss this topic in more detail with us at a later date.

4. In regard to the requirements question, Mr. Latimer indicated his concern with respect to tactical requirements for national assets. He implied the need for a separate mechanism, perhaps under the DSD(I), responsible for developing tactical and departmental requirements for national intelligence collection and production, whose requirements would be fused with national requirements in a forum such as the CFI. This view was expressed in concert with his comments regarding the DCI's role with respect to the CFI and the USIB replacement's role as a board of the CFI.

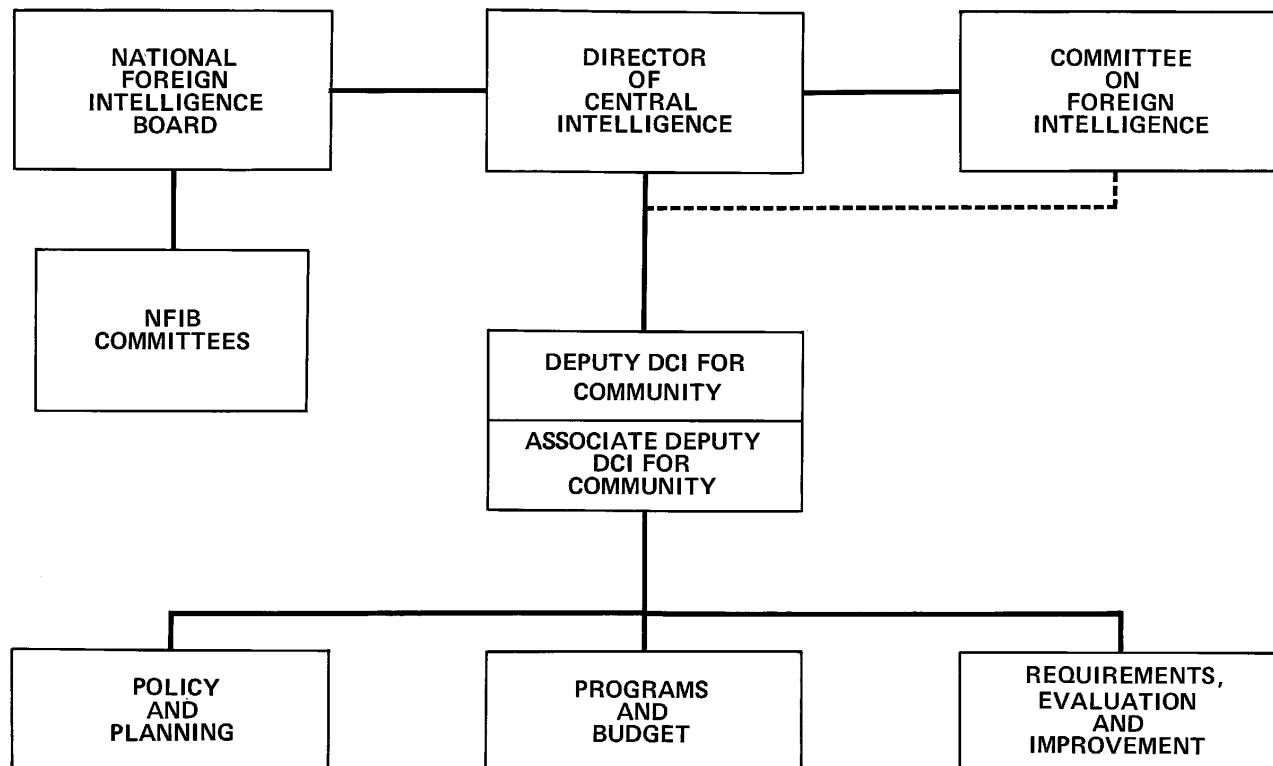


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DC/IC/CPAD

Attachment
As Stated

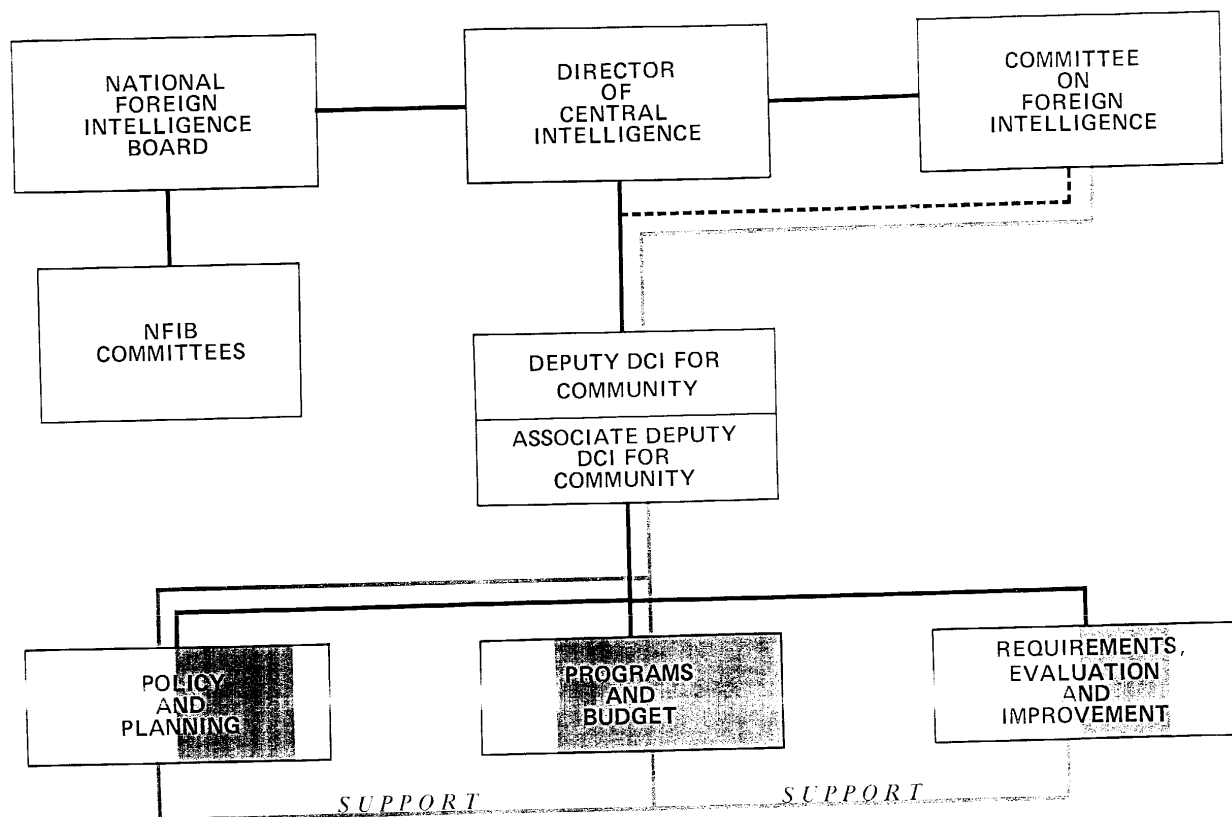
Flow of Intelligence Community Activities



TO BE DECIDED:
INSPECTOR GENERAL
LEGISLATIVE COUNSEL
GENERAL COUNSEL
STRATEGIC WARNING AND CRISIS MANAGEMENT
COMMUNITY AUDIT

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Flow of Intelligence Community Activities



TO BE DECIDED:
INSPECTOR GENERAL
LEGISLATIVE COUNSEL
GENERAL COUNSEL
STRATEGIC WARNING AND CRISIS MANAGEMENT
COMMUNITY AUDIT

CFI ACTIVITIES

COMMITTEE ON FOREIGN INTELLIGENCE RESPONSIBILITIES *

POLICY AND PLANNING

- ESTABLISH POLICY PRIORITIES FOR COLLECTION AND PRODUCTION OF NATIONAL INTELLIGENCE
- ESTABLISH POLICY FOR MANAGEMENT OF NFIP
- PROVIDE GUIDANCE ON RELATIONSHIP BETWEEN NATIONAL/TACTICAL INTELLIGENCE; NEITHER DCI NOR CFI ARE RESPONSIBLE FOR TACTICAL INTELLIGENCE
- ENSURE INTELLIGENCE COMMUNITY COMPLIANCE WITH POLICY DIRECTION FROM NSC

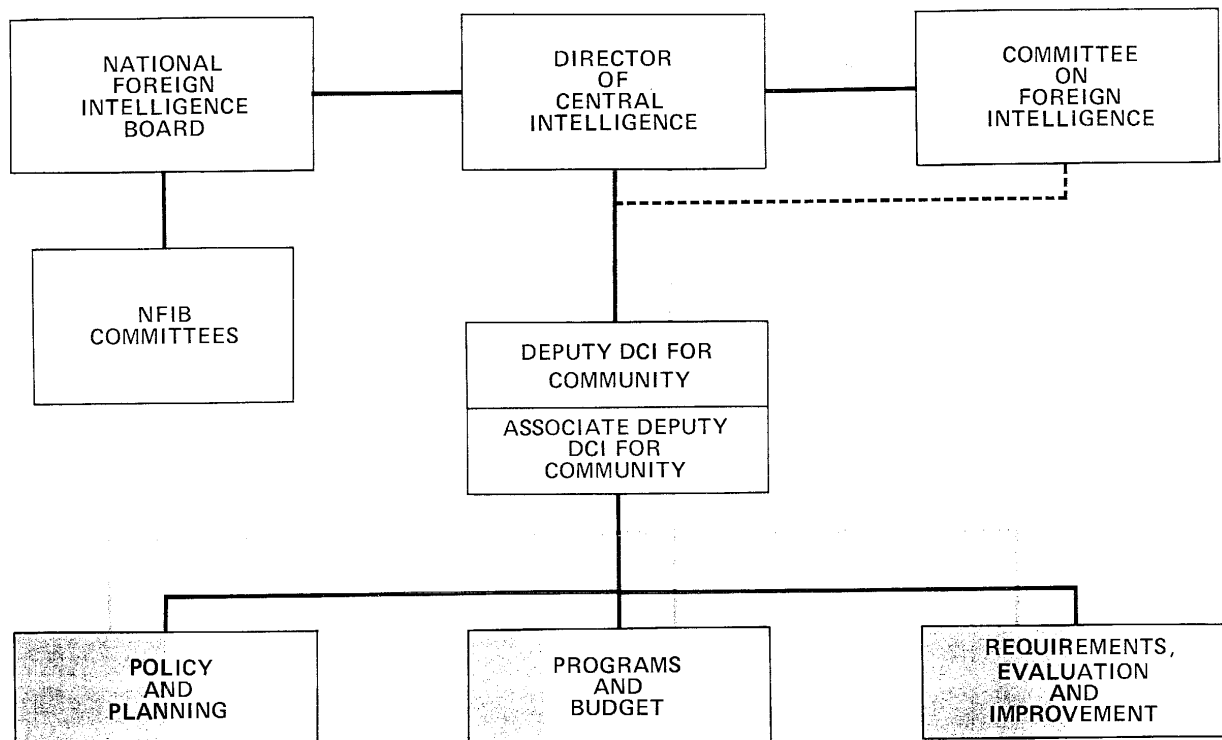
PROGRAMS AND BUDGET

- CONTROL BUDGET PREPARATION AND RESOURCE ALLOCATION FOR NFIP

REQUIREMENTS, EVALUATIONS AND IMPROVEMENT

* THE CFI RESPONSIBILITIES LISTED ARE TAKEN FROM THE EXECUTIVE ORDER. THE INTENT OF THIS CHART IS MERELY TO SHOW WHERE THESE RESPONSIBILITIES WILL IMPACT ON THE STAFF.

Flow of Intelligence Community Activities



SUPPORT

SUPPORT

TO BE DECIDED:
INSPECTOR GENERAL
LEGISLATIVE COUNSEL
GENERAL COUNSEL
STRATEGIC WARNING AND CRISIS MANAGEMENT
COMMITTEE ON FOREIGN INTELLIGENCE

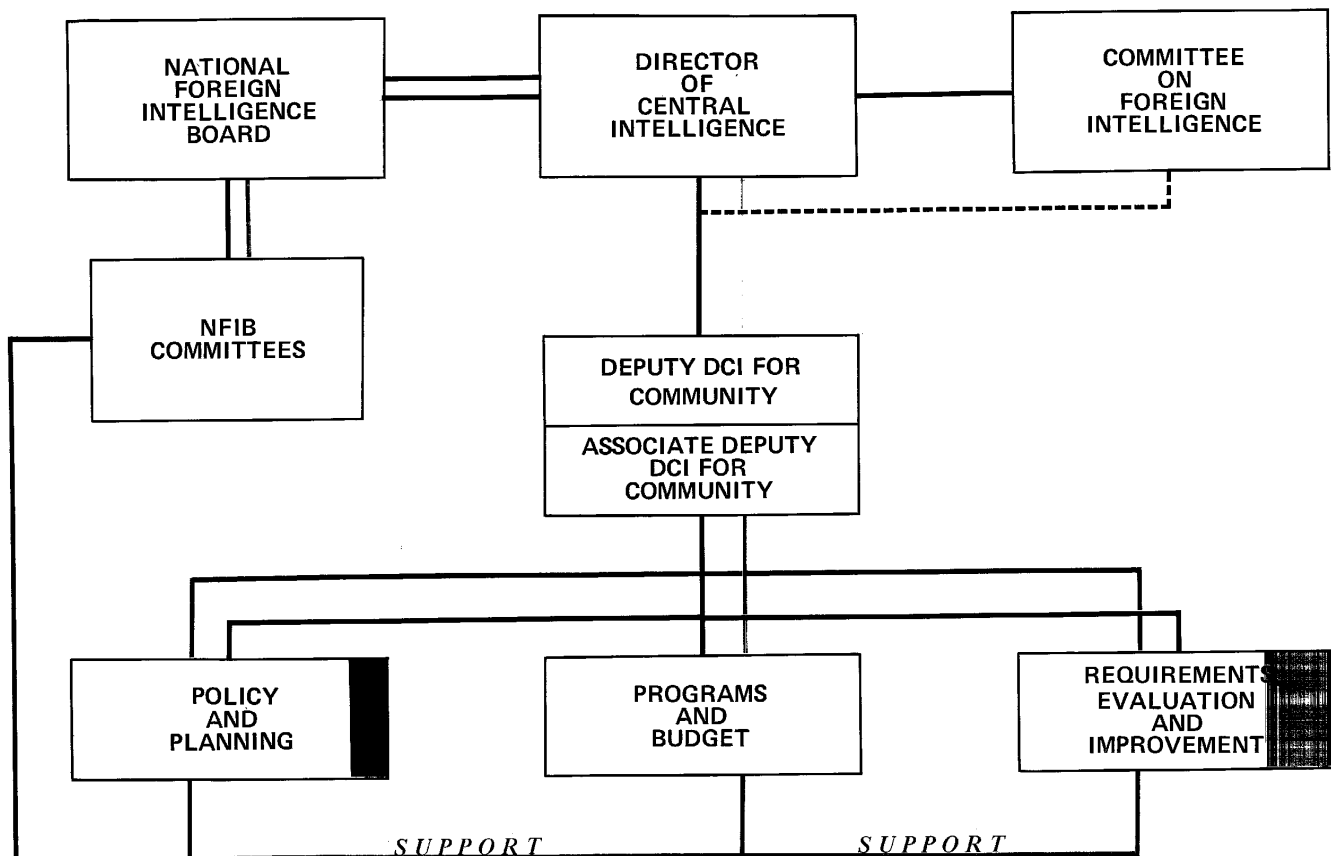
DCI ACTIVITIES

DIRECTOR OF CENTRAL INTELLIGENCE RESPONSIBILITIES *

| <u>POLICY AND PLANNING</u> | <u>PROGRAMS AND BUDGET</u> | <u>REQUIREMENTS, EVALUATIONS AND IMPROVEMENT</u> |
|---|---|---|
| <ul style="list-style-type: none">• PRESIDENT'S PRIMARY FOREIGN INTELLIGENCE ADVISOR• ENSURE PROPRIETY OF WHITE HOUSE STAFF REQUESTS TO INTELLIGENCE COMMUNITY• PROTECT INTELLIGENCE SOURCES AND METHODS• DOWNGRADE AND DECLASSIFY• ESTABLISH COMMON SECURITY STANDARDS• CONGRESSIONAL LIAISON• PROMOTE DEVELOPMENT AND MAINTENANCE OF SERVICES OF COMMON CONCERN | <ul style="list-style-type: none">• DEVELOP AND SUBMIT NFIP BUDGET TO CFI | <ul style="list-style-type: none">• DEVELOP NATIONAL INTELLIGENCE REQUIREMENTS AND PRIORITIES• SUPERVISE PRODUCTION AND DISSEMINATION OF NATIONAL INTELLIGENCE• ESTABLISH COLLECTOR/PRODUCER/USER BOARDS• CONSULT WITH USERS TO ENSURE RELEVANCE, TIMELINESS, AND QUALITY• ESTABLISH CRITERIA FOR CRITIC MESSAGES; COORDINATE WITH SECDEF ON ADEQUATE MEANS FOR TRANSMITTING THESE MESSAGES |

* THE DCI RESPONSIBILITIES LISTED ARE TAKEN FROM THE EXECUTIVE ORDER. THE INTENT OF THIS CHART IS MERELY TO SHOW WHERE THESE RESPONSIBILITIES MAY IMPACT ON THE STAFF AND SHOULD NOT BE CONSTRUED AS SPECIFIC RESPONSIBILITIES OF THE STAFF. STAFF WORK OF SOME KIND WILL BE INVOLVED BUT DEFINITION OF ITS EXTENT IS YET TO BE MADE.

Flow of Intelligence Community Activities

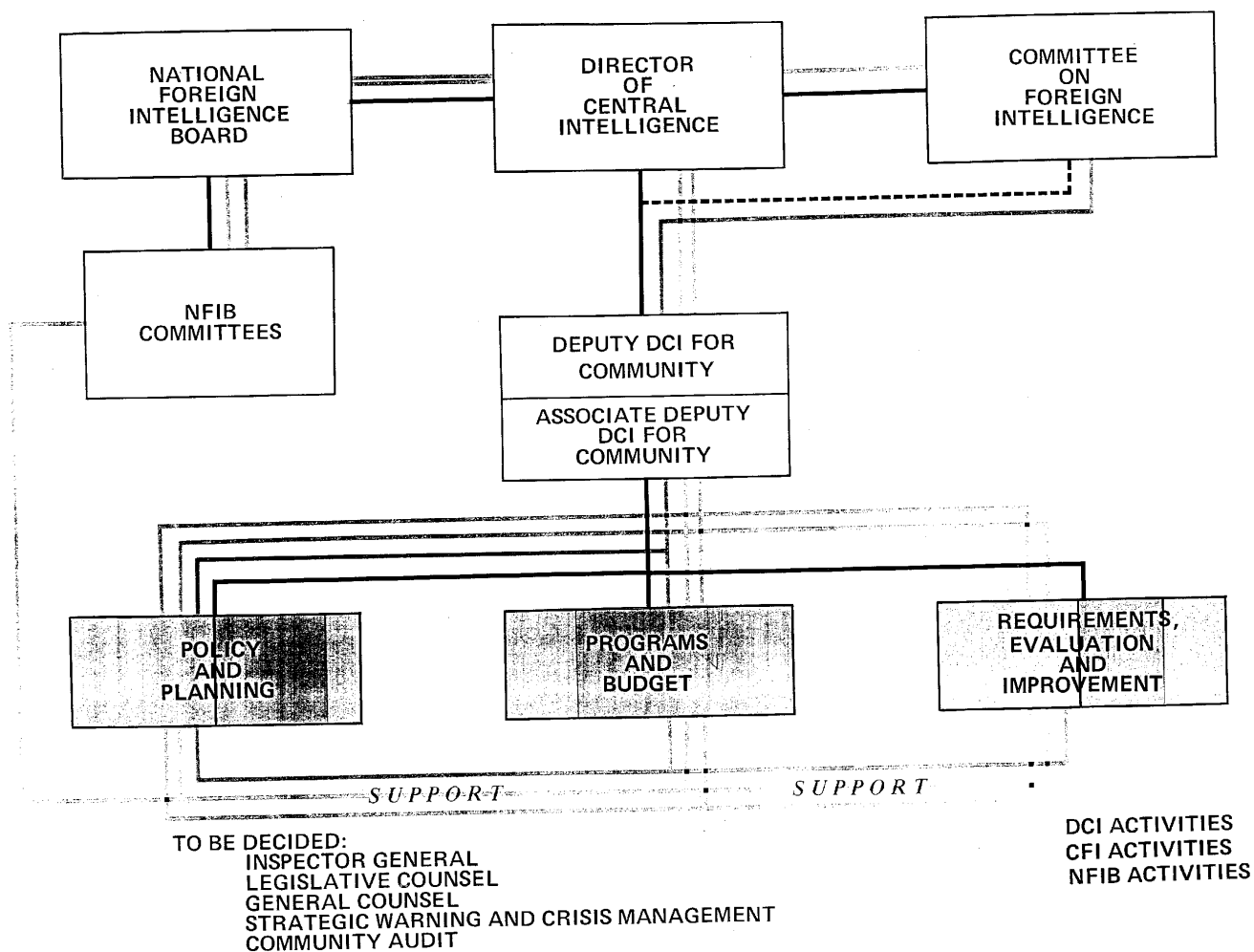


TO BE DECIDED:
INSPECTOR GENERAL
LEGISLATIVE COUNSEL
GENERAL COUNSEL
STRATEGIC WARNING AND CRISIS MANAGEMENT
COMMUNITY AUDIT

NFIB ACTIVITIES

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Flow of Intelligence Community Activities



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OFFICE OF THE DEPUTY SECRETARY OF DEFENSE

3/3/76

MEMO FOR MR. BUSH
MR. HYLAND

*I'd like to table this at
the next CFI meeting.*

— Bob.

Robert Ellsworth

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~~TOP SECRET~~

THE DEPUTY SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

3 MAR 1976

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE
DEPUTY ASSISTANT TO THE PRESIDENT
FOR NATIONAL SECURITY AFFAIRS

SUBJECT: Charter for the National Reconnaissance Program

Attached is a proposed updated statement of management policy for the National Reconnaissance Program, amended to be consistent with the requirements of Executive Order 11905, 18 February 1976. This document retains the features of streamlined management which I feel are essential to the successful conduct of the National Reconnaissance Program.


Robert Ellsworth

1 Attachment
Proposed Charter

Copy 1 of Copies

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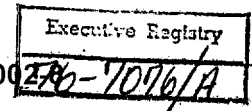
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2 MAR 1976

The Honorable Robert Ellsworth
The Deputy Secretary of Defense
Washington, D. C. 20301

Dear Bob:

Thank you for your letter of 26 February about CIA's research on the costs and burden of Soviet defense activities. I have been impressed with the importance of this kind of work since becoming Director. Your letter re-enforces my feeling on this matter.

I fully concur in your views about the need to inform our customers about the results of this research in ways that provide maximum confidence in their objectivity and their independence of political motivation. The best way to foster this confidence is to be sure that our findings deserve this kind of acceptance. They must be based on the best available evidence and analytical methods, and the uncertainties involved must be explained objectively and as openly as possible. I agree that we should focus more attention on how to convey the necessary credibility not only to the national security community but also to the Congress and the public.

Ed Proctor and I have discussed the current work on our new estimate of the burden of Soviet defense activities, including the projects discussed with Andy Marshall and people from his Office of Net Assessment. Ed tells me that we do need more resources on this work, and I have asked him to outline his requirements. Obviously, any sizeable increase in effort cannot be accomplished over night, but I assure you that it will have a very high priority.



STAT With regard to your suggestion to create a small group of experts on this subject, Ed tells me that he already has a Panel of academic and industrial experts. I am enclosing a list of the members of the Military-Economic Advisory Panel and copies of two of its reports. You will note that in its reports the Panel expresses some of the same concerns you have raised. Complete documentation of methods and procedures, for example, was high on its list of priority projects and work is now under way on this. Ed knows [redacted] and would be pleased to have either or both of them join the Panel.

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Lastly, Bob, I have a problem with your suggestion that the "group of experts" report to the CFI. I do not believe that matters of this type should be under the CFI. They are more properly the responsibility of the DCI because they are so much a part of the production of intelligence. We could discuss this at the next CFI meeting if you think it would be useful.

Sincerely,



George Bush
Director

Enclosures:


List of Members of Military-Economic Advisory Panel
First Report--Military Economic Review Panel, dated
1 July 1974
Second Report--Military-Economic Advisory Panel,
dated 22 January 1976

Cy - William Hyland / Righty, acct to Pres.

Letter to the Honorable Robert Ellsworth
From the Director
Re: Soviet Defense Activities

STATINTL

CONCUR:


Deputy Director for Intelligence

1 MAR 1976

Date

EWProctor:fbr (1 March 1976)

Distribution:

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